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INTRA-AFRICAN TRADE: CURRENT FLOWS AND PROSPECTS

INTRODUCTION 1/

1. Africa is the least developed region in the world and African economies are characterized by relatively strong trade ties with developed market economies. Recent evaluations of the impact of external factors on the achievement of economic development in Africa show that substantial increases in trade exchanges with developed market economies over the last twenty years and before have failed to have a corresponding favourable impact on the socio-economic development either of the region as a whole or of individual countries. On the contrary the terms of trade of many countries have in fact been deteriorating steadily as a result of persistent inflation and recession in the developed countries which have adversely affected the international demand for Africa's traditional exports and tremendously increased the unit prices of goods imported by African countries.

2. Even though the interdependence of the world economy is an acknowledged fact there has been no real effort by the international community to improve the international economic environment within which African countries can effectively implement their development policies. It has become more and more obvious that African development policies should first of all be based on the internal needs and socio-economic realities of the continent. In other words, the development engine should come primarily from within at the national, subregional and regional levels.

3. The peculiar situation of African countries and the unviability of individual domestic markets and economies call for the development of intra-African co-operation and integration for the attainment of collective self-reliance as called for by the Lagos Plan of Action. Intra-African trade is meant to constitute the mainstay of the present African development strategy, both as a means of diversifying the overall trade of the region and of concretizing self-reliance and assisting in the economic development of Africa.

4. The purpose of this paper is to describe the structure of intra-African trade first, and secondly to analyse the state of intra-African trade and its current flows, diagnose the obstacles to the promotion of intra-African trade and identify the potential for expanding it. Details of intra-Africa trade are in Annex I.

1/ Analysis in the document are based on statistical data available in document E/CN.14/STAT/SER.C/3 and the statistical compendium on intra-African trade. Both documents are distributed along with this paper.

CHAPTER I

THE CURRENT STATE OF INTRA-AFRICAN TRADE 2/

A. Overall trends of intra-African trade

5. An analysis of the state of intra-African trade reveals that not only is it at a very low level but is actually declining. In 1975, intra-African trade reached a recorded level of 7.5 per cent but since that year a declining trend set in until a low level of 3.7 per cent was recorded in 1978. The latest estimates show that intra-African trade as a proportion of the region's total trade has been around 4 per cent (see table 1). The importance of unrecorded border trade in Africa is not included in the aforementioned figures and could substantially change the level.

6. From 1970 to 1981, African imports originating in the African region as a percentage of total African imports registered a higher proportion than that of exports, except for 1977 when the share of African exports to the African region was higher than the percentage share of imports. From 8.1 per cent in 1970 intra-African imports as a percentage of total Africa's imports fell to less than 4 per cent for the last five years and intra-African exports for the same period followed more or less the same declining pattern and the latest estimates indicate that they were 4 per cent and under in the last four years.

7. The declining trends of intra-African trade are a result of inter alia:

- the prevailing inward looking import substitution policies (which mainly affect exchanges of manufactured goods);
- the preference for extra-regional transactions (imports and exports);
- the non availability of goods within Africa;
- the prevailing cash hard currency crisis.

2/ Even though many attempts were made to dichotomize the continent in Northern and Sub-Saharan Africa (See UNRS Report and various international agencies), we hold the view that Africa North and South the SAHARA should be dealt with as a whole. The diversity between the various African countries calls for an integrated approach based on their complementarities. Trade links between North Africa and Sub-Saharan are effective in many products and their potential is considerable in timber, wood, wood items, fruits and vegetables, mineral fuels, fish and fish products, hides and skins, leather and groundnuts etc.

9. In addition to these causes, it is interesting to note that the declining trade in intra-African trade actually corresponded to the period of accentuated monetary instability in the world, particularly from the early 1970's and the prolonged recession in developed market economies from 1974 which decreased the expected demand for and prices of their major export products, resulting in the prevailing cash hard currency crisis and a reduction of Africa's overall purchasing power. The declining trend of intra-African trade also came along with the shift in Africa's demand towards increasing imports of capital goods and industrially produced components and raw materials such as synthetics, plastics, rolled metal products, most of the industrial ventures being in the light sectors requiring inputs unavailable in the region and giving insufficient attention to the processing of locally available raw materials. The industrialization pattern mainly transmitted growth to the industrialized countries and did not generate enough resources for the financing of intra-African trade. This was aggravated by the sharp rises in oil prices which adversely affected the ability of non oil producing African countries to import not just from outside but also from within Africa what can be said with a fair amount of certainty is that the low level of intra-African trade and the declining trend are manifestations of the existence of obstacles to intra-African which will be further analysed in another section of this paper after describing more closely intra-African trade in the light of its present flows including its commodity composition and its geographical distribution.

B. Current flows of intra-African trade

8. An analysis of the structures and flows of intra-African trade reveals that they are subregionally-oriented, based on limited exchanges in long distance trade in terms of products coverage and number of partner-countries, the level of transactions is rather low and the products exchanged are mainly agricultural and food items.

"Subregionalization" of intra-African trade flows

10. Subregionalization of trade means that major trading partners of the countries are most of all their immediate neighbours or countries within the same sub-regional grouping whether the latter is integrated or not.

11. Recorded trade of seven West African countries including Benin, Cape Verde, Ivory Coast, Liberia, Nigeria, Senegal, Togo for the year 1978 revealed that their intra-subregional trade represented more than 75 per cent of their total intra-African trade. Out of total exports to developing Africa amounting US$ 521 [illegible], these countries sold to ECOWAS partners for 420 991 000 U.S. dollars and bought US$ 293 400 000, their total imports from developing Africa being US$ 1 422 185 000.

12. The North African countries' intra-subregional trade for the same period was about 50 per cent their total intra-African trade i.e. US$ 592 548 000 out of US$ 1 227 457.

13. The Eastern and Southern African subregion followed more or less the same pattern with a ratio of about 75 per cent for reporting countries including Botswana, Djibouti, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Seychelles and Tanzania. The only exception to this sub-regionalization is Central Africa whose trade with Eastern and Southern African countries is more important than its own intra-subregional trade, its imports from Eastern and Southern Africa representing US$ 85 642 000 mainly from Kenya (25 970 000), Zimbabwe (25 574 000) and Zambia (14 237 000); for the same period intra-subregional imports of Central Africa were US$ 50 975 000. The figures for exports were respectively US$ 55 775 000 to Eastern and Southern Africa and US$ 17 102 000 at the Central African subregional level.

Long distance trade

14. With regard to other aspects of intra-African trade, there is considerable reduction in number of substantive partners and limited products covered. Partners and volume of trade are far more important within the same subregion or with contiguous subregions than with distant subregions: North African countries' intra-trade in 1970 amounted US$ 582 546 000, their trade with West Africa their immediate neighbours represented US$ 219 606 000 while trade with Central and Eastern-Southern Africa were respectively US$ 111 188 and US$ 131 175. For West Africa the figures were respectively US$ 722 390 000 for intra-subregional trade, trade with North Africa was US$ 136 741 000 while Eastern and Southern Africa trades with West Africa only for US$ 14 763 000. Trade between West and Eastern-Southern Africa is very often on a limited range of products: Mauritania's imports from Malawi is exclusively unmanufactured tobacco. The only export of Kenya to Ghana is cereals and preparations. East African supplies to Ivory Coast (from Kenya and Tanzania) were cigarettes and Agave fibers and waste. The same trade pattern (limited range of products) applies to distant trade of the majority of African countries.

Commodity coverage of intra-African trade 3/

16. Products identified as being traded among African countries are mainly five hundred most of which belong to S.I.T.C. Section 0, 1, 2, 3 and 4. Food and live animals, beverages and tobacco, crude materials, mineral fuels, animal and vegetables oils and fats constituted over 75 per cent of intra-African trade. Intraregional trade in chemicals (S.I.T.C. 5), manufactured goods (S.I.T.C 6 & 8), machinery and transport equipment (S.I.T.C. 7) are still at a rather low level.

3/ (See list in annex and ECA Statistical compendium on intra-African trade and ECA Foreign Trade Statistics for Africa, E/CN.14/STAT/SERC/3).

Unrecorded border trade

16. Unrecorded border trade in Africa is very rarely dealt with in studies on intra-African trade, although in some cases its impact might be as important as the officially identified flows of intra-African trade. The present artificial borders of African countries inherited from colonial powers could not totally destroy ethnographic structures, traditional complementarities and trade networks. Unrecorded border trade is even being reinforced by differences among the existing African political regimes and their economic contradictions including customs and fiscal regulations, price differentials, different trade regulations exchange rates and monetary policies. Unrecorded border trade flows are unavoidable the only way of coping with its adverse effects is to accelerate integration among neighbouring countries and to effectively harmonize economic policies with a view to providing a legal framework to the "genuine African common market" already established by border traders.

C. Obstacles to the expansion of intra-African trade

17. There are numerous factors limiting the expansion of intra-African trade and unless these obstacles are identified and removed and the relevant institutions and infrastructures to facilitate such trade are introduced and actually implemented at both the regional and subregional levels, intra-African trade may actually continue decreasing. Demand-supply divergence, supply constraints (qualitative and quantitive), protectionist trade policies including tariff and non-tariff barriers, inadequacy of transport and marketing facilities, monetary problems.

1. Demand/supply divergence

18. One of the fundamental factors in the low-level of intra-African trade is the divergence between African production structures and demand patterns. Most African countries are primary producers whereas their most pressing needs are for manufactured goods in which developed countries at present play a dominant role. The manifestations of under-development are here expressed as the divergence in the pattern of domestic/subregional resource use, domestic or subregional demand and needs. Thus, the principal goal must be to seek a linkage between production, demand and consumption. To the extent that there are serious divergences between production structures and demand patterns within the African region, this represents a formidable obstacle to the promotion of intra-African trade. Therefore, production in African countries should be oriented towards African markets.

19. The expansion of intra-African trade is also hindered by a variety of supply constraints which arise because of weaknesses in quality controls particularly in manufactured goods. Prospective importers will naturally look for quality goods at reasonable prices. Some manufactured products originating in African countries are of poor quality and are sometimes

overpriced thereby making them uncompetitive within the African region. The fact that quality and technical standards including standards of measurement are not harmonized within the African region constitutes another set of obstacles to the promotion of intra-African trade.

20. Another obstacle to intra-African trade related to supply constraints is concerned with insufficient utilization of local or subregional raw materials with the consequent low value added and difficulty in satisfying rules of origin requirements in cases where subregional integration and economic co-operation schemes have been established. This situation is manifested by unreliability of African supplies which, in turn, points to the insufficiency of planning of specialization and subregional complementarity to ensure long and economic production runs at subregional or regional levels. Intra-African trade depends upon the availability of goods produced within the region at reasonable prices. In addition cost structures of individual African products are uncompetitive compared to similar products from developed market economies. Whatever the reasons are for such uncompetitive cost structures in neighbouring African countries as compared to cost structures in developed countries, the fact is that such differences compel importers to depend on supplies from abored.

21. Africa is generally a net exporter of products classified as food and live animals. The region is at the same time a net importer of processed products falling under this category. For instance, Africa imported canned meat valued at US$ 33 556 000, US$ 78 611 000 and US$ 63 701 000 and exported canned meat valued at US$ 14 242 000, US$ 13 203 000 and US$ 14 648 000 in 1981, 1982 and 1983 respectively. The disparities between African imports and exports of sausages, canned meat, and prepared/preserved meat as shown by large trade deficits partly confirm the arguments advanced above on the inadequacy of production structures in terms of reliability of supplies, and uncompetitiveness of cost structures. The raw materials from which these imports are produced are available in abundance within the African region as evidenced by the fact that the African region is a net exporter of live animals. Part of the explanation for trade deficits lies in the inadequacy of marketing and physical infrastructures, which is discussed later on.

22. The same is true of other trade items in the classification of food and live animals. The import deficits represented by the differentials between imports and exports of milk (condensed, dry, fresh), butter, and cheese and curd indicate that supply constraints are a major obstacle to intra-African trade and that demand for these items in the region is high. In the case of canned meat or meat prepared and preserved, only seven African countries (Ethiopia, Kenya, Madagascar, Senegal, Swaziland, the United Republic of Tanzania and Zimbabwe) were exporters although their exports fall far short of the demand for these items. Only three countries (Kenya, Madagascar and Senegal) export sausages, mainly to Europe.

23. A few African countries produce and export some of the products covered by the category "Food and live animals". A sample of these products and the countries that produce and export them is as follows:

Eggs in shell: Kenya, Swaziland, Gabon and [illegible].

Cereals: Zimbabwe, Niger, Sudan, Mozambique, Morocco, Malawi, [illegible], Kenya, Ivory Coast and Egypt.

Wheat + flour + meal (mixed): [illegible], Kenya and Tunisia.

Maize: Zimbabwe, Kenya and Zambia.

Potatoes: Algeria, United Republic of Cameroon, Egypt, Ethiopia, Ivory Coast, Kenya, Morocco, Senegal, United Republic of Tanzania and Tunisia.

Tomatoes: Morocco, Senegal, Liberia, Ivory Coast and Egypt.

Oranges, tangerines etc.: Algeria, Egypt, Morocco, Senegal and Tunisia.

Groundnut oil: Kenya, Senegal, Burundi, Egypt, Ethiopia, Nigeria, Sudan, United Republic of Tanzania, Mauritius and Upper Volta.

Animal oil + fats + greases: Kenya.

Bananas: Angola, United Republic of Cameroon, Cape Verde, Equatorial Guinea, Ethiopia, Ivory Coast, Madagascar and Senegal.

2. Tariff and non-tariff barriers

24. All African countries use tariff and non-tariff barriers to regulate the movement of goods among themselves and between them and the rest of the world. The reasons given for the use of tariff and non-tariff barriers are many and varied. The more common arguments seem to be: national security, revenue considerations, protection of infant industry to promote diversification of national economies or promotion of self-reliance. Whatever the merits or demerits of these arguments, the point is that tariff and non-tariff barriers are among the many obstacles to the expansion of intra-African trade. This factor is relevant since African countries discriminate against each other in the use of these policy instruments in particular to protect textile industries which do not compete with overseas but with other African industries.

25. Alongside tariff barriers, each African country utilizes quantitative barriers and prohibitions to frustrate the movement of goods across its national boundaries. Import and export licences and foreign exchange licences

are forms of non-tariff barriers. A number of African countries require importers and exporters to stipulate import sources and export destinations. Others require advance import deposits as well as imposing special charges for acquiring foreign exchange and import licences. The justification for any of these forms of trade control is in some respects similar to that for imposing tariffs. The important point to be made here is that while such barriers are applied to imports from overseas as well as other African countries, such measures tend to frustrate intra-African trade more severely than trade with developed countries not only because of better knowledge of and, in most cases, better procurement of goods and trading in the latter but also the numerous trade promoting incentive offered by developed countries such as availability of credit arrangements to finance African imports from abroad. Such arrangements are not available for intra-African trade.

3. Transport bottlenecks

26. Intra-African trade is also hampered by the very high transport costs between African countries. These costs are a result of the inadequacy of physical infrastructures such as railways and roads. The inadequacy of transport and storage facilities at the national and subregional levels reduces the volume of internal and international trade. The inadequacy of transport, storage and communications facilities in Africa constitutes yet another set of obstacles to the expansion of intra-African trade. It is sometimes easier and even faster for any African country to import goods from Europe than from a sister country in the same subregion just as a result of the inadequacy of transport.

4. Marketing problems

27. Even when the above constraints were removed, intra-African trade would still be faced with marketing problems. First, there is a serious lack of information about the availability of African products. Producers/exporters and consumers/importers have not enough information on markets for their products and the availability of products respectively. Market conditions in any one African country are largely unknown to the majority of African countries. Closely related to this problem is the lack of marketing know-how and the inadequacy of funds for carrying out coordinated export and import procedures and documentation, insufficiency of export incentives and the absence of strategies for making African traders direct their commercial efforts towards African markets. These problems indicate that the African region lacks adequate trade promotion arrangements. It is these African institutions that should provide information on African products, assist African traders in directing their efforts towards African markets, assist African countries in devising marketing and in simplifying export and import procedures and documents, etc.

5. Monetary and payments obstacles

28. In addition to the afore-mentioned, lack of credit arrangements to encourage intra-African trade, the inadequacy of clearing and payments arrangements between or among African countries and the inconvertibility of national currencies constitute another obstacle to the promotion of intra-African trade.

CHAPTER II

PROSPECTS FOR INTRA-AFRICAN TRADE : POTENTIAL AND IMPACT OF MEDIUM AND LONG TERM DEVELOPMENT POLICIES ON INTRA-AFRICAN TRADE

A. The potential of intra-African trade

29. The analysis of the current situation of intra-African trade has revealed that 95 per cent of African trade is with countries outside the region. Intra-African trade accounts for less than 5 per cent of total African trade. Notwithstanding this, the potential for the expansion of such trade is substantial in many products.

1. Food, food products and live animals

30. The African region is presently facing an acute food deficit. The excess of imports over exports for the last ten years shows an increasing demand trend for food items. An analysis of total African trade deficits and surpluses in selected commodities indicated substantial market potentials for meat and meat products, milk and dairy products, cereals and related items, fruits and vegetable, coffee, groundnut oil, cocoa, fish and fish products etc.

2. Meat and meat products

31. At present a considerable proportion of intra-African trade in meat and meat products is unrecorded. However live animals occupy a predominant place in the trade of many African countries. The main livestock involved are bovine cattle, sheep, lamb, goats and poultry. A good proportionoof the existing trade is also confined to neighbouring countries.

32. In spite of the sporadic trade relations, intra-African trade in meat and meat products is of immense importance to many African countries. Currently meat deficit countries of the region are compelled to impot from non-African countries. With the increasing demand for meat within Africa, growing markets can be guaranteed and the potential for intra-African trade is considerable. Over the last few years the annual consumption of meat in Africa was 11 kg. per person whereas the world animal consumption average level was 30 kg. per person therefore to bring the average African needs up to international standard, Africa will have to trinle its annual production in order to secure an extra 9 millions tons and more since the standards of living are expected to rise.

33. According to various studies, the meat industries in Africa are said to have a high trade potential. The largest exporters 3/ of canned meat are Kenya, Zimbabwe, the United Republic of Tanzania, Madagascar, Ethiopia, Swaziland and Somalia. The bulk of these exports were destined for the European markets. While some African countries exported their canned meat to European and Middle East markets, African importers were supplied principally from Europe, Latin America and New Zealand. The reasons for this pattern of trade in canned meat are said to include transport facilities, old-established trade links, credit facilities, taste, brand loyalty and quality requirements of the traditional African consumer groups particularly those residing in the urban areas.

34. It is also clear from FAO records that Africa is a net importer of sausages and prepared and preserved meat. Angola, Botswana, Ethiopia, the Sudan, Madagascar, Chad, Kenya, Swaziland and Zimbabwe are the largest exporters of fresh, chilled and frozen meat (comprising beef and veal, mutton, pig meat and poultry). They export 35 per cent of total African exports to countries in Europe, 40 per cent to the Middle East and only 25 per cent of their total export in fresh, chilled and frozen meat is destined to other African States. This situation should be compared with the fact that the largest importers of fresh, chilled and frozen meat (ie. Zaire, the Libyan Arab Jamahiriya, the Ivory Coast, Egypt, Zambia and Mauritius) and the minor importers (Gabon, Seychelles, , Nigeria, etc.) obtain their supplies mainly from some European countries, Latin America and New Zealand.

35. The potential of intra-African trade in meat is great partly because of the relatively large population of bovine cattle, sheep and goats, pigs and pultry partly because of the increase in demand for fresh meat, processed meat products with the increasing purchasing power in many African countries and also partly due to ever-increasing marketing difficulties in traditional markets of Europe and the stiff competition from other regions that African meat faces in the Middle East.

36. Therefore, trade promotion organizations (national or subregional) can exploit this potential by identifying markets and sources of supply within the African region. Identification of markets would stimulate and expand production with the consequent increase in intra-subregional or intra-African trade in meat. This is possible because of relative similarities of consumer preferences and tastes, the ease with which products can be adjusted to local requirements at the national and subregional levels and the possibility of lowering consumer prices by adjusting quality to actual consumer needs in a particular country or subregion thereby increasing not only the purchasing power but also the size of the market.

3/ See FAO Trade Yearbooks 1976-1983.

3 Milk and dairy products

57. The above analysis clearly implies, [illegible], to the potential for intra-African trade in butter, cheese and curd, condensed, dry and fresh milk and eggs in shell. The trade now received for these products are cattle and all poultry, the products of which varied from country to country and from sub-region to sub-region. Countries like Egypt, the Sudan, Zimbabwe, Malawi, Ethiopia, Botswana and the United Republic of Tanzania are producers of butter and these ways was the largest exporter of butter during the period 1976-1978, followed by Botswana and Senegal. Consumption of butter shows an increasing trend as measured by increasing margins of the exchange of imports over exports shown in table 2. These trade deficits in butter call for identification of consuming areas and orientation and establishment of production processes directed to these markets this is a task that can be assigned to trade promotion organizations.

58. The potential of intra-African trade in condensed, dry and fresh milk can similarly be exploited by identifying present and potential producers. The demand for milk is very high in Africa as shown in table 2, where trade deficits for the African region stood at 3425 030 000 in 1976 and increased to 3697 282 000 in 1978. Kenya was the only net exporter of milk during the period 1976-1978. Although Senegal and the Ivory Coast did export some small quantities of milk, they are large net importers with almost all other countries are duly importers of milk, mainly from Europe. It Ingola imports milk mainly from Kenya.

4 Cereals and related products

59. The potential of intra-African trade in cereals and related products such as maize and rice is [illegible] production constraints. The trade deficits shown in table 2 simply mean that production fails far short of consumption. While this would seem, at first sight, to limit possibilities for trade, real trade expansion in these commodities, there is often room for trade at the intra-sub-regional level [illegible] particularly to cross flow patterns between neighbouring countries. This is already happening to some extent among Zimbabwe, Zambia, Malawi, Botswana and Mozambique in so far as maize is concerned and among a number of countries in West Africa with respect to rice.

5 Fruits, vegetables, textiles, vegetable oils and fats

60. The African region is a net exporter of fresh tomatoes, oranges, tangerines, lemons, green and roasted coffee, cocoa beans, unmanufactured tobacco, groundnut oil and oils. Only 19 African countries recorded trade in fresh tomatoes of which

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[1] FAO Trade Yearbooks 1976-1983.

the largest exporters were Morocco and Egypt. Although table 2 does not show trade in fish, the development of the fish trade in the African region is largely hampered by preservation and transport facilities. The bulk of fish trade in Central and West Africa is carried out in the form of dried, salted and smoked fish.

41. The principal producers of canned or bottled fruits and vegetables export to the EEC market. Both the Ivory Coast and Kenya enjoy duty-free access to the EEC market particularly when they export pineapples. Morocco exports to France and the Federal Republic of Germany, while Tunisia exports canned vegetables mainly to Europe. Prospects for increasing intra-African trade arise from increasing restrictions in European markets. However, while some canned products, such as tomato paste are becoming popular in West Africa, in that tomato paste is being used as an ingredient in the main dishes, relatively very low purchasing power in most African countries represents a serious obstacle to the expansion of intra-African trade in canned or bottled fruits and vegetables.

42. African imports of cottonseed oil are about 20 times larger than exports. Intra-African trade in cottonseed oil is dominated by the Sudan as an exporter and Egypt as an importer. To the extent that African demand for cottonseed oil is largely met by imports from outside the region, there is ample scope for production and diversification particularly in the United Republic of Tanzania, Uganda, Mozambique and Angola.

6. Raw materials for basic industries (copper, iron ore, manganese, phosphates, iron, sugar, bauxite, tin, wood, potash, sulphur, fertilizers and acids) 6/

43. Due to lack of market organization, especially as regards supply, the stability of supply, arising from the lack of processing industries and the structure of production, the effects of the purchasing monopolies of developed countries, the emergence of synthetic substitutes, the trends of African exports in raw materials for basic industries were rather sluggish.

44. African imports of raw materials for basic industries are insignificant and come from outside the continent due to MNCs control over the market and the absence of processing industries which prevents the domestic utilization of raw materials in Africa hence intra-African trade could not develop under these conditions. It is nevertheless expected that African industries in the coming years will increasingly diversify and rely on the processing of raw materials available in the continent. It would seem that under these conditions intra-African trade in raw materials for basic industries will be bound to develop by basing itself on the potential of African production in this field and the growing demand for industry in the region.

6/ For further details see SI/ECA/IAT/1, 2, 3, 4, prospects of intra-African trade in raw materials for basic industries ECA, May 1982.

(iv) Supporting the establishment or strengthening of associations of trade promotion organizations and of institutions offering training in techniques for trade promotion and for handling trade (import and export) at the national, sub-global and regional levels;

(v) Organizing African trade fairs in conjunction with ECA;

(vi) Planning, organizing and arranging all training activities (courses, colloquia, seminars, workshops, etc.);

(vii) Preparing an annual consolidated programme in co-operation with other ECA offices;

CONCLUSION

52. To sum up, in the short and medium term, prospects for intra-African trade appear generally good especially for some products such as meat and meat products, vegetable oil, fish products (especially canned and dried fish), shoes, cotton textiles, milk powder, fruits and vegetables, hides and skins, cheese. This is so because of consumer preferences at country and subregional levels, the ease with which products can be adjusted to local requirements, the near absence of rigid sanitary requirements, the ease with which trade information can be obtained because of bilateral trade agreements and subregional integration schemes actually established and envisaged throughout the African region, and the increasing awareness to promote intra-African trade as a result of the directives given by the Heads of State and Government in the Lagos Plan of Action.

53. There is great potential for intra-African trade in industrial and agricultural products provided trade promotion organizations reorientate their trade efforts towards African markets. There must also be a political commitment by African countries to trade with other African countries. Imports of industrial products from outside the African region could be significantly reduced or replaced by those produced within the region if development plans of African countries were co-ordinated and geared towards African markets. As clearly spelt out in the Lagos Plan of Action, the expansion of intra-African trade in industrial products will also depend upon the pace at which jointly owned African multinational enterprises are established among African countries to deal specifically in such issues.

54. To exploit fully the potential of intra-African trade, it will be necessary for feasibility studies to be carried. First, there is need to draw up country production profiles. From these profiles, trade organizations could be made aware of sources of supply and excess demand in the African region. Second there is need to compile country trade profiles (exports and imports) from which two lists of commodities can be drawn up showing country export surpluses and country import deficits. Thirdly, a list of exportable African made products on a country-by-country basis would facilitate in-depth studies in intra-African trade marketing aspects.

55. Intra African trade will significantly improve if necessary measures are taken and institutional arrangements agreed upon for the following:

(a) The attainment of monetary harmonization which will reduce and cancel the adverse effects of currency fluctuations and render trade liberalization mechanisms effective as envisaged in the proposed African Monetary Fund;

(b) The boosting and coordination of production through multinational cooperation enabling the increased processing of agricultural and industrial raw materials to create the diversified industrial base without which intra-African trade will never expand;

(c) The reorientation of trade distribution networks and their effective control by African private and public business organizations with a view to reducing the adverse impact of TNC's on African economies;

(d) The establishment and/or strengthening of trade promotion mechanisms, including trade information, with a view to upgrading marketing techniques and absorption capacity for African produced goods within the continent.

Table 1. Share of intra-African trade in total trade of developing African countries (values in million US dollars)

Year	Total trade (Africa with world)			Intra-African 1/ trade			Intra-African trade as percentage of total trade		
	Imports	Exports	Total (imports + exports)	Imports 2/	Exports	Total (imports + exports)	Imports	Exports	Total (imports + exports)
1970	11 070	12 595	23 665	739	672	1 411	6.68	5.34	5.96
1971	12 803	12 965	25 768	773	672	1 445	6.04	5.41	5.72
1972	13 903	15 376	29 278	805	814	1 709	5.41	5.29	5.34
1973	17 330	21 584	38 914	1 166	1 070	2 236	6.36	4.91	5.59
1974	28 419	39 530	67 949	1 815	1 547	3 459	6.38	4.17	5.09
1975	37 944	35 760	73 704	2 115	1 824	4 040	5.58	5.41	5.53
1976	38 200	42 406	80 606	1 537	1 397	2 934	4.02	3.29	3.64
1977	48 068	48 977	97 039	2 036	1 851	3 887	4.24	3.78	4.01
1978	57 090	45 759	102 813	1 894	1 722	3 615	3.32	3.80	3.53
1979	57 437	57 494	114 931	2 972	2 535	5 507	5.11	3.95	4.79
1980	75 [illegible]	82 [illegible]	158 [illegible]	3 151	2 872	6 041	4.14	3.07	3.55
1981	85 152	72 [illegible]	158 [illegible]	3 452	2 847	6 300	3.98	3.84	3.91
1982	75 [illegible]	71 [illegible]	147 [illegible]	3 081	2 801	5 882	4.03	4.03	4.03
1983	...	...	...	2 701	2 001	4 202	...	...	...

1/ Excluding Zimbabwe.

2/ Imports estimated by adding 10 per cent to exports.

Sources: (i) UN Yearbook of International Trade Statistics, 1978, 1979, 1980, 1981 and 1982 (Volume II.

(ii) UN Monthly Bulletin of Statistics, June 1984.

Table 2: Developing Africa

(thousands o

		1981			
		Import	Export	Impor	
Meat, fresh, chilled, frozen		795 116	100 585	716 7	
Meat, dried, salted or smoked	(012)	12 034	1 034	11 0	
Meat canned n.e.s.	(013)	93 566	14 742	78 8	
of which sausages	(013.1)	16 310	403	15 9	
Other prepared meat	(014.0)	75 113	13 381	61 7	
Bovine cattle	(001.1)	484 483	325 478	477 0	
Sheep, lambs and goats	(001.2)	332 758	139 620	213 1	
Milk - condensed, dry, fresh	(002)	1036 843	9 149	980 6	
Butter	(023)	342 241	1 300	272 1	
Cheese and curd		145 561	232	108 3	
Eggs in shell		101 784	662	116 4	
Cereals (041, 045.1, 045.2, 045.3, 046)		579 930	18 681	551 7	
Wheat + flour + wheat equivalent		362 761	447	346 1	
Rice		1134 851	50 [illegible]	1091	
Maize		471 988	65 043	784 0	
Pulses	(054.8)	134 455	43 957	178	
Potatoes		80 057	33 329	132	
Tomatoes fresh	(054.4)	862	46 105		
Orange + tangerines + clean	(057.1)	6 356	377 917	5	
Bananes		33 954	45 813	21	
Sugar		1066 853	70 [illegible] 756	1250	
of which refined	(061.2)	1875 142	66 410	1333	
Coffee green and roas	(071.1)	280 454	2045 66[illegible]	307	
Cocoa beans		7 213	1543 206	5	
Cocoa powder		6 176	42 046		
Tea		271 112	347 756	467	
Tobacco unmanufactured		230 505	484 110	250	
Beer		55 398	7 073	41	
Cotton seed oil		134 427	48	160	
Groundnut oil		14 033	51 462	10	
Sunflower seed oil		105 393	510	69	
Olive oil		104 149	103 551	53	

e imports and exports selected items

United States dollars)

1982		1983		Trade Balance (Export-Import) 1981	1982	1983
	Export	Import	Export			
7	90 436	766 585	113 142	-626 550	-618 308	- 75 453
	511	10 701	475	-10 690	-10 520	-10 226
	13 203	83 701	14 640	-79 814	-65 608	-69 060
	330	21 458	270	-17 912	-16 650	-21 110
3	14 471	61 218	14 040	-61 701	-43 637	-40 170
2	189 981	547 110	167 230	-169 054	-107 024	-274 316
5	260 273	441 722	202 437	-42 652	54 317	-40 485
9	3 067	898 717	1 032	-1017 600	-367 611	-897 865
1	5 582	300 187	1 900	-340 851	-170 113	-298 287
3	1 392	143 579	70	-145 319	-108 941	-143 909
2	535	104 147	780	-101 192	-117 107	-103 367
5	17 142	498 120	16 163	-551 248	-534 656	-481 957
9	321	317 908	23	-362 274	-347 [illegible]	-317 885
	15 454	383 100	12 447	-1060 729	-1038 482	-370 901
2	56 763	679 164	78 [illegible]4	-816 845	-727 313	-800 [illegible]10
7	86 195	157 078	70 404	-160 [illegible]30	-111. [illegible]02	-86 [illegible]7
7	91 948	95 210	59 114	-40 [illegible]26	-61 [illegible]10	-36 [illegible]96
9	37 350	1 000	36 171	46 241	37 101	37 [illegible]09
5	250 581	5 923	259 [illegible]4	271 [illegible]99	244 [illegible]18	253 [illegible]71
5	45 705	11 095	32 [illegible]78	21 859	10 [illegible]30	22 [illegible]44
3	501 201	1095 803	540 [illegible]73	-1364 095	-672 [illegible]32	-847 730
2	43 887	898 [illegible]46	29 [illegible]04	-1608 704	-939 [illegible]80	-[illegible]60 [illegible]96
4	[illegible]0 752	271 697	2144 [illegible]02	1766 [illegible]06	2013 [illegible]28	1871 [illegible]08
7	1411 230	5 402	1472 353	1536 [illegible]72	1305 [illegible]53	1455 351
1	25 510	5 920	28 [illegible]08	35 [illegible]70	20 [illegible]90	23 [illegible]68
6	272 [illegible]08	[illegible]80 [illegible]75	311 [illegible]49	-[illegible]3 [illegible]54	-5 [illegible]20	80 [illegible]19
1	423 [illegible]66	272 [illegible]42	379 [illegible]20	233 [illegible]06	173 [illegible]85	108 [illegible]04
8	6 [illegible]42	37 860	6 [illegible]27	-46 [illegible]23	-33 [illegible]08	-21 [illegible]93
3	7 [illegible]42	89 [illegible]32	-	-124 [illegible]76	-186 [illegible]21	-[illegible]8 [illegible]32
6	119 [illegible]48	17 [illegible]05	108 [illegible]40	37 [illegible]48	109 [illegible]63	91 [illegible]55
0	[illegible]83	145 150	-	-124 [illegible]83	-[illegible]9 157	-145 150
2	104 [illegible]36	39 [illegible]84	37 [illegible]54	-[illegible]38	21 [illegible]24	-[illegible]1 [illegible]30

ANNEX I

Structure of Intra-African Imports
(Selected countries)

(Values in thousand US dollars (cif.))

	1978	1979	1980	1981	1982
Algeria					
- Africa	220040	20632	297214	240572	...
- World	8666747	8406650	10524498	11302272	...
% of intra-African imports	2.54	2.45	2.82	2.29	...
Burkina Faso					
- Africa	21099	43981	58143	90035	...
- World	227863	307392	357955	337547	...
% of intra-African imports	9.26	14.31	16.24	26.67	...
Burundi					
- Africa	10008	19827	17043	28325	26863
- World	98240	152722	167224	167317	212870
% of intra-African imports	10.19	13.05	10.19	16.93	12.62
Cameroon					
- Africa	36882	89477	75236	...	60283
- World	1008505	1270561	1538352	...	1243180
% of intra-African imports	3.66	7.04	4.89	...	4.85
Cape Verde					
- Africa	571	2416	[illegible]	...	...
- World	43361	40630	67800	...	...
% of intra-African imports	1.32	5.95	6.45	...	...
Central African Republic					
- Africa	3952	4482	6743	...	...
- World	56579	66523	80461	...	...
% of intra-African imports	6.98	6.74	8.38	...	...

	1978	1979	1980	1981	1982
Congo					
- Africa	1[illegible]09	22674	59437	...	...
- World	241988	266414	418149	...	...
% of intra-African imports	0.12	8.51	14.23	...	...
Djibouti					
- Africa	8164	9850	...	...	...
- World	157402	177213	...	...	...
% of intra-African imports	5.19	5.56	...	...	...
Egypt					
- Africa	32728	35069	37574	69720	96153
- World	6726640	3837387	4859982	8339464	9077949
% of intra-African imports	1.23	0.91	0.77	0.79	1.06
Ethiopia					
- Africa	12837	10863	14711	10342	10521
- World	505283	567424	721367	737265	784950
% of intra-African imports	2.54	1.91	2.04	1.40	1.34
Gabon					
- Africa	14205	11470	21713	...	...
- World	564297	522080	673554	...	...
% of intra-African imports	2.52	2.16	3.22	...	...
Ghana					
- Africa	138764	154451	...	...	...
- World	1002572	852670	...	...	...
% of intra-African trade	13.84	18.11	...	...	...
Guinea-Bissau					
- Africa	1157	...	3484	...	...
- World	41738	...	55526	...	...
% of intra-African trade	2.77	...	6.27	...	...

	1978	1979	1980	1981	1982
Ivory Coast					
- Africa	147177	132548	150600	221746	264067
- World	2309634	2388907	2990600	2393112	2183727
% of intra-African trade	6.37	5.55	5.04	9.27	12.09
Kenya					
- Africa	23792	31986	79525	...	...
- World	1705923	1655468	2589939	...	...
% of intra-African imports	1.39	1.93	3.07	...	...
Liberia					
- Africa	21146	13280	11336	11049	...
- World	480946	506453	534092	477429	...
% of intra-African imports	4.40	2.62	2.12	2.31	...
Libyan Arab Jamahiriya					
- Africa	137783	81576	37740	83484	...
- World	4602491	5311306	6776377	8381697	...
% of intra-African imports	2.99	1.54	0.56	1.00	...
Madagascar					
- Africa	9794	22104	16799	6284	...
- World	460089	698437	676467	473026	...
% of intra-African imports	2.13	3.16	2.48	1.33	...
Malawi					
- Africa	143160	182728	191332	...	...
- World	338229	397589	440230	...	...[2]
% of intra-African imports	42.33	45.96	43.46	...	...
Mali					
- Africa	55418	58738	...	...	...
- World	202624	304461	...	...	...
% of intra-African imports	27.35	19.29	...	...	...

	1978	1979	1980	1981	1982
Mauritania					
- Africa	...	...	...	...	...
- World	...	...	...	...	...
% of intra-African imports	...	...	...	...	...
Mauritius					
- Africa	85458	...	...	...	...
- World	498372	...	...	...	...
% of intra-African imports	15.14	...	...	...	...
Morocco					
- Africa	72414	74887	89245	72367	63836
- World	2950326	3673490	4182375	4352584	4315286
% of intra-African imports	2.45	2.04	2.13	1.66	1.48
Niger					
- Africa	86826	77460	116551	149074	...
- World	305915	461705	607688	509723	...
% of intra-African imports	23.38	16.78	19.18	29.25	
Nigeria					
- Africa	106541	96630	...	...	...
- World	12762781	10274326	...	...	...
% of intra-African imports	0.83	0.94	...	...	...
Rwanda					
-Africa	25247	25176	34302	...	...
-World	179101	192321	243081	...	...
% of intra-African imports	14.10	13.09	14.11	...	...
Tunisia					
- Africa	62114	44135	75368	59794	...
- World	2157733	2842155	3508706	3770881	...
% of intra-African imports	2.88	1.55	2.15	1.59	...

	1978	1979	1980	1981	1982
United Republic of Tanzania					
- Africa	13608	23457	30235	16200	...
- World	1141283	1076686	1211336	1197200	...
% of intra-African imports	1.19	2.18	2.50	1.35	
Zaire					
- Africa	111507	...	...	...	...
- World	796714	...	...	...	...
% of intra-African imports	14.00				
Zambia					
- Africa	59268	107775	...	...	...
- World	628311	750239	...	...	...
% of intra-African imports	9.43	14.37	...	...	...
Zimbabwe					
- Africa	...	...	...	518569	424706
- World	592789	939819	1203659	1472094	1430171
% of intra-African imports	...	...	...	35.23	29.70
Senegal					
- Africa	79962	98214	152084	138565	...
- World	756110	931168	1037852	1077418	...
% of intra-African imports	10.58	10.55	14.73	12.86	...
Seychelles					
- Africa	12144	17683	15375	15711	38073
- World	52681	89524	98886	93437	195629
% of intra-African imports	23.05	19.75	15.55	16.81	19.46
Somalia					
- Africa	25459	36502	37635	...	...
- World	241293	245732	347997	...	...
% of intra-African imports	10.55	15.67	10.81	...	...

	1978	1979	1980	1981	1982
Sudan					
- Africa	28277	25827	51120	63115	79396
- World	877985	913711	1499342	1518702	1284893
% of intra-African imports	3.22	2.82	3.41	4.16	6.18
Togo					
- Africa	64209	77611	108126	29179	...
- World	450780	518460	549641	435772	...
% of intra-African imports	14.24	14.97	19.67	6.70	...

Symbol used:

. . = data not available

Source: UN Yearbook of International Trade Statistics, 1982

Annex II

Structure of Intra-African Exports

(Selected Countries)

(values in thousand US dollars f.o.b.)

	1978	1979	1980	1981	1982
Algeria					
- Africa	49476	84304	130241	...	...
- World	6125537	9363297	15623587	...	...
% of intra-African exports	0.81	0.86	0.83	...	...
Burkina Faso					
- Africa	20509	37352	38855	27981	...
- World	42424	76756	90227	74985	...
% of intra African exports	48.34	48.66	43.06	37.32	...
Burundi					
- Africa	1254	1453	...	4799	...
- World	66935	104803	59098	71369	87582
% of intra-African exports	1.87	1.39	...	6.72	...
Cameroon					
- Africa	30727	68626	37595	...	92892
- World	762222	1128626	1320872	...	1028943
% of intra-African exports	4.03	6.08	2.85	...	9.03
Cape Verde					
- Africa	652	593	1048	...	...
- World	16521	1889	4223	...	...
% of intra-African exports	3.95	31.39	24.82	...	...
Central African Republic					
- Africa	2951	2104	2399	...	...
- World	71771	79547	111237	...	...
% of intra-African exports	4.11	2.64	2.16	...	...

	1978	1979	1980	1981	1982
Congo					
- Africa	6059	7779	12267	...	...
- World	148656	509273	955276	...	...
% of intra-African exports	4.08	1.53	1.28	....	...
Djibouti					
- Africa	308	225	...	...	...
- World	17667	11391	...	...	...
% of intra-African exports	1.74	1.98			
Egypt					
- Africa	62075	45948	31043	20617	112616
- World	1737150	1839729	3045959	3232182	3120195
% of intra-African exports	3.57	2.50	1.02	0.64	3.61
Ethiopia					
- Africa	18756	33789	56771	36280	47641
- World	309753	422193	424690	379125	404395
% of intra-African exports	6.00	8.00	13.37	9.59	11.78
Gabon					
- Africa	10258	7287	74	...	...
- World	1106164	1849608	2189292	...	...
% of intra-African exports	0.93	0.39	0.00	...	...
Ghana					
- Africa	14765	9156	...	...	...
- World	992444	918811	...	...	...
% of intra-African exports	1.49	1.00			
Guinea-Bissau					
- Africa	4534	...	1676	...	...
- World	10060	...	11414	...	...
% of intra-African exports	45.07	...	14.68	...	...

	1978	1979	1980	1981	1982
Ivory Coast					
- Africa	254321	339113	190100	414955	441379
- World	2322453	2506041	3142100	2535224	2287949
% of intra-African exports	10.95	13.53	6.05	16.37	19.29
Kenya					
- Africa	242757	264549	379785	...	...
- World	1022266	1103546	1389000	...	...
% of intra-African exports	23.75	23.97	27.34	...	...
Liberia					
- Africa	6833	9693	11203	13506	...
- World	487465	536572	536975	523625	...
% of intra-African exports	1.40	1.81	1.89	2.58	...
Libyan Arab Jamahiriya					
- Africa	71713	33970	29902	1503	...
- World	9894533	16076037	21909678	15571062	...
% of intra-African exports	0.72	0.21	0.14	0.00	
Madagascar					
- Africa	27530	44744	34118	25074	...
- World	399320	407400	386517	424350	...
% of intra-African exports	6.89	10.98	8.83	7.73	...
Malawi					
- Africa	27972	29445	47105	...	...
- World	177092	222300	285148	...	...
% of intra-African exports	15.80	13.22	16.52	...	...
Mali					
- Africa	25850	25695	...	...	...
- World	106247	106222	...	...	...
% of intra-African exports	24.33	24.19	...	...	...

	1978	1979	1980	1981	1982
Mauritius					
- Africa	16935	...	...	...	...
- World	325759	...	...	...	...
% of intra-African exports	5.20	...	...	...	...
Morocco					
- Africa	67252	69748	84282	118497	69167
- World	1511345	1958633	2403418	2320271	2058599
% of intra-African export	4.45	3.56	3.51	5.11	3.36
Niger					
- Africa	55322	55390	108720	149129	...
- World	282871	448031	479689	454809	...
% of intra-African exports	19.56	12.36	18.75	32.79	...
Nigeria					
- Africa	267707	303532	...	...	...
- World	9983755	16405153	...	...	...
% of intra-African exports	2.68	1.35	...	...	...
Rwanda					
- Africa	695	951	9950	...	...
- World	68916	112176	73162	...	...
% of intra-African exports	1.01	0.85	13.60	...	...
Senegal					
- Africa	109889	96157	147411	190114	...
- World	420844	533226	476685	560793	...
% of intra-African exports	26.11	18.03	30.92	33.90	...
Seychelles					
- Africa	891	1543	1904	883	1304
- World	3310	5807	5754	4751	15183
% of intra-African exports	23.39	26.57	33.09	18.59	8.59